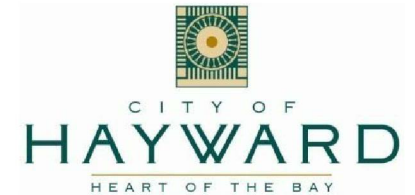


FY 2010 Mid-Year Update

Director of Finance
Debra C. Auker

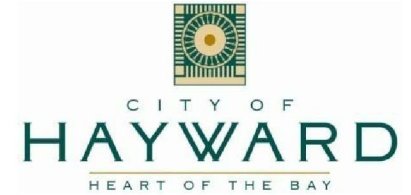
FY 2010 Adopted Budget



General Fund	
	Adopted
RESOURCES	\$116.8 million
OUTLAYS	<u>\$113.4 million</u>
CHANGE IN RESERVES	\$3.4

FY 2010 Budget Assumptions

(1 of 3)



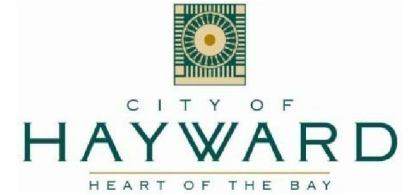
Second year of a two-year budget.

1. Adopted budget revenue estimates compared to last years' receipts:

- 9% decline in Property Tax (\$3.5 million)
- 6% decline in Sales Tax (\$1.6 million)
- 23% decline in Real Property Transfer Tax (\$900,000)
- Estimated \$10 million for new Utility Users Tax (UUT)

FY 2010 Budget Assumptions

(2 of 3)

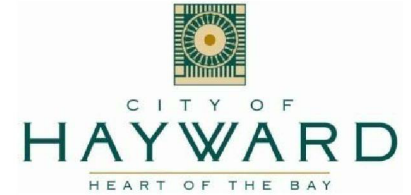


2. Budgeted expenditures include:

- Planned Operational Savings:
 - Reduction of 44 positions from FY 2009.
 - Public Safety salary concessions, elimination of executive group COLA increases, and furloughs (5%) for all non-safety employees.
- Other employee services increases, such as benefit costs, merit & equity increases.
- Minimal increases to fund internal service fees.
- No increases to discretionary spending.

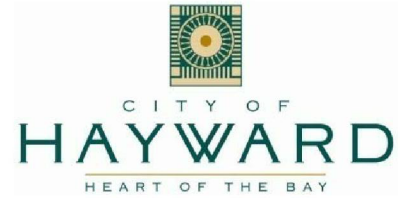
FY 2010 Budget Assumptions

(3 of 3)



3. Budgeted transfers include:

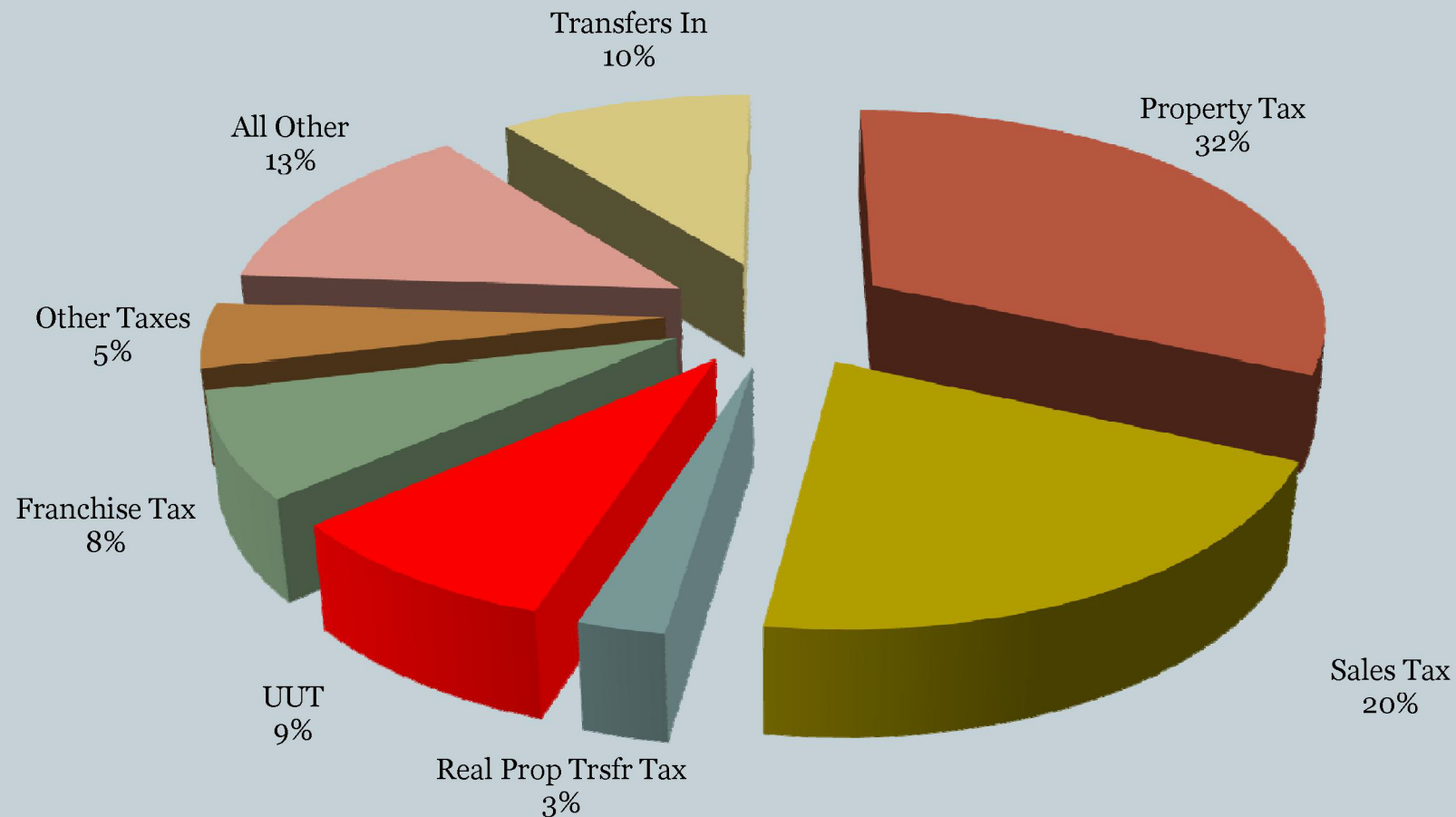
- Last year of one-time transfer
 - \$5 million from Housing Fund.
- Increased transfer
 - \$2 million from Gas Tax Fund.
- Elimination of transfers for capital improvement or replacement reserve purposes.

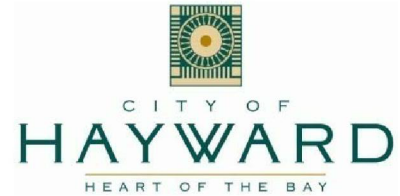


Revenue

FY 2010 Adopted General Fund Resources

Total Resources = \$116.8 Million

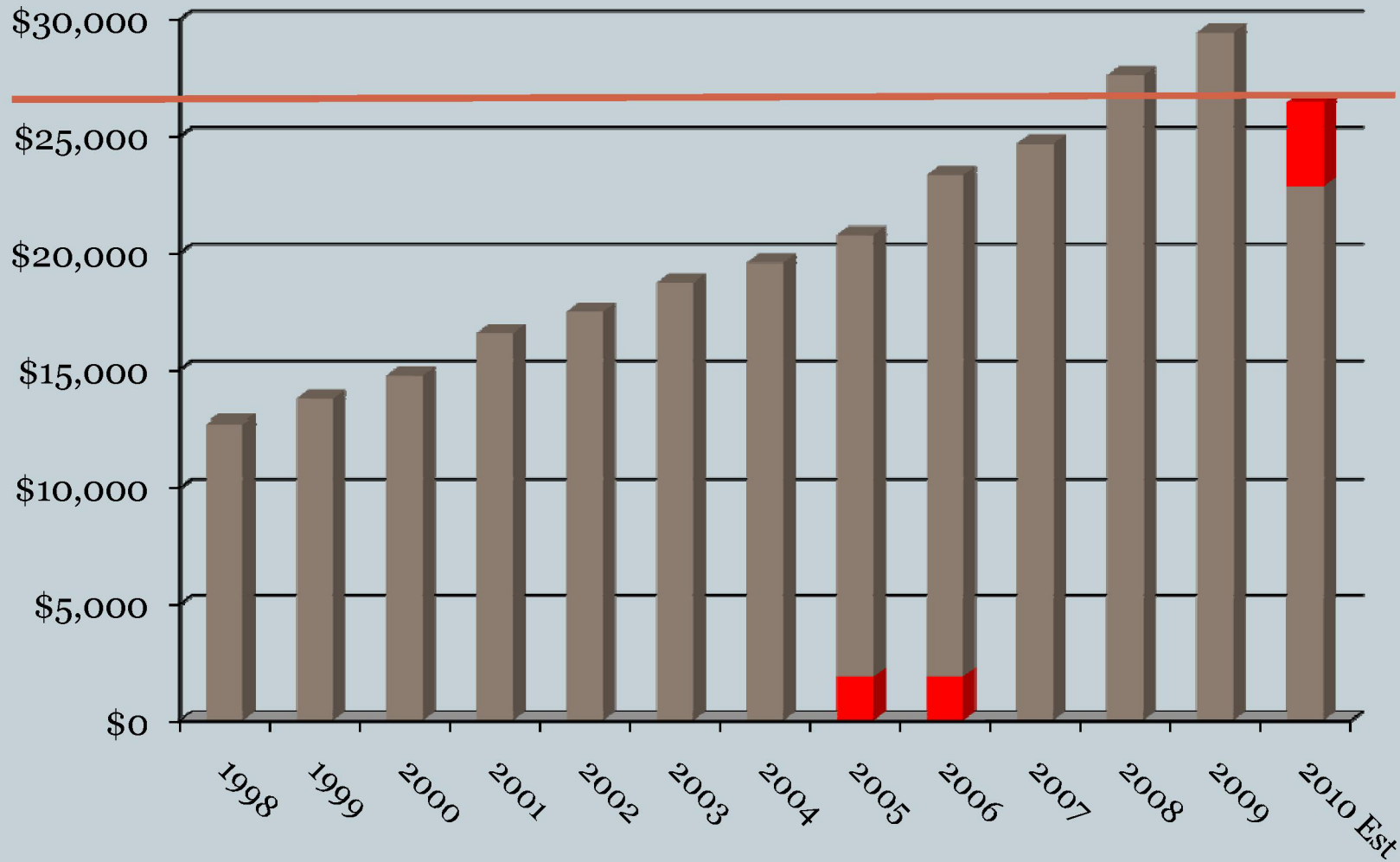
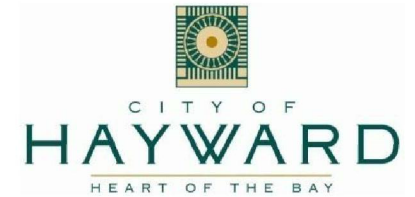




Property Tax

Hayward Property Tax Revenue

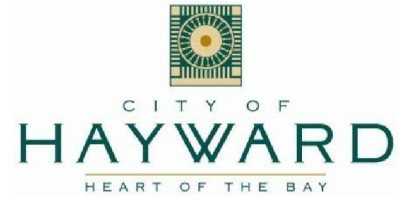
(\$ in 000's)



■ ERAF III State Take-Away

■ Property Tax

■ Prop 1A Borrow



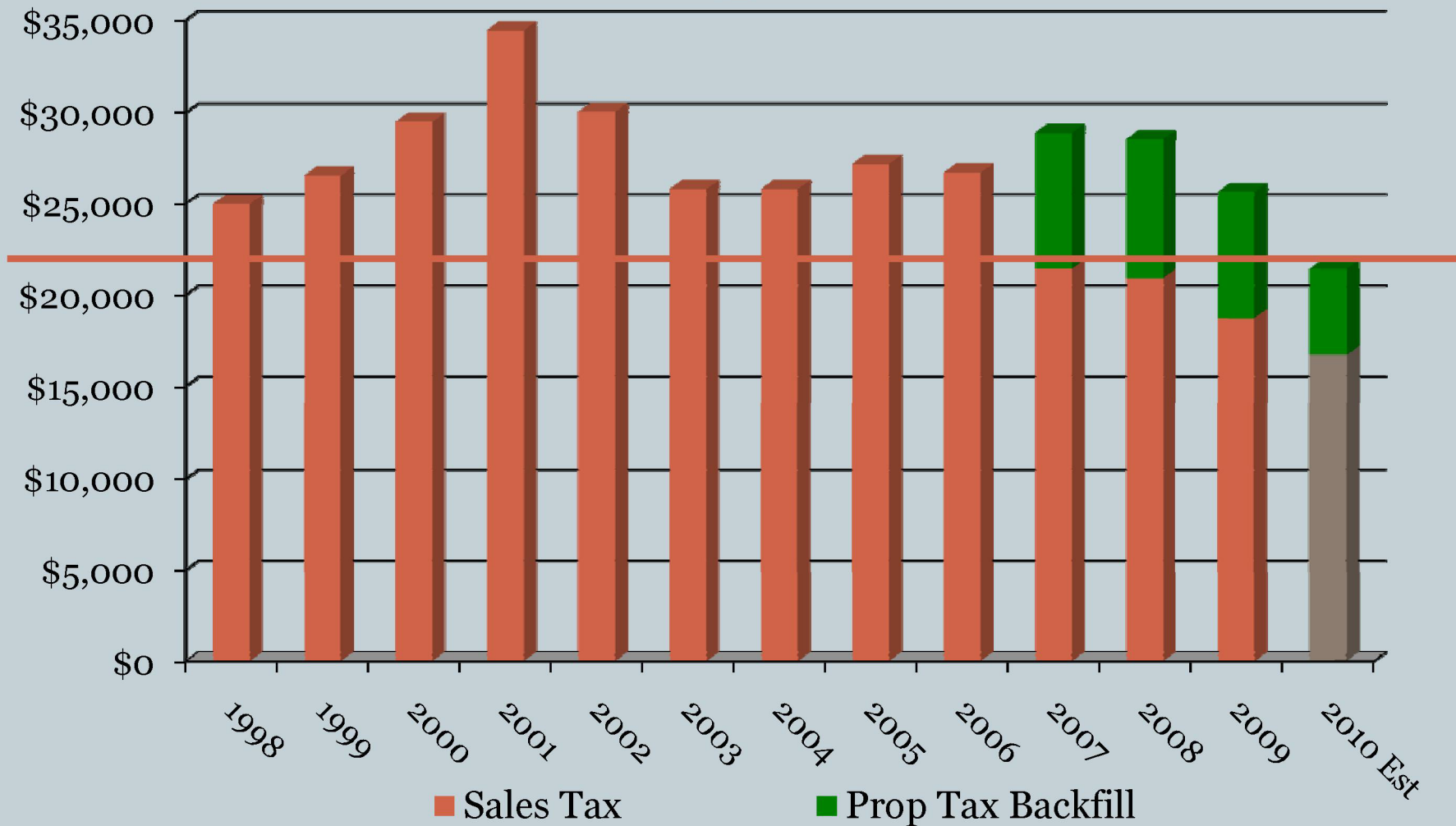
Sales Tax

Hayward Sales Tax Revenue

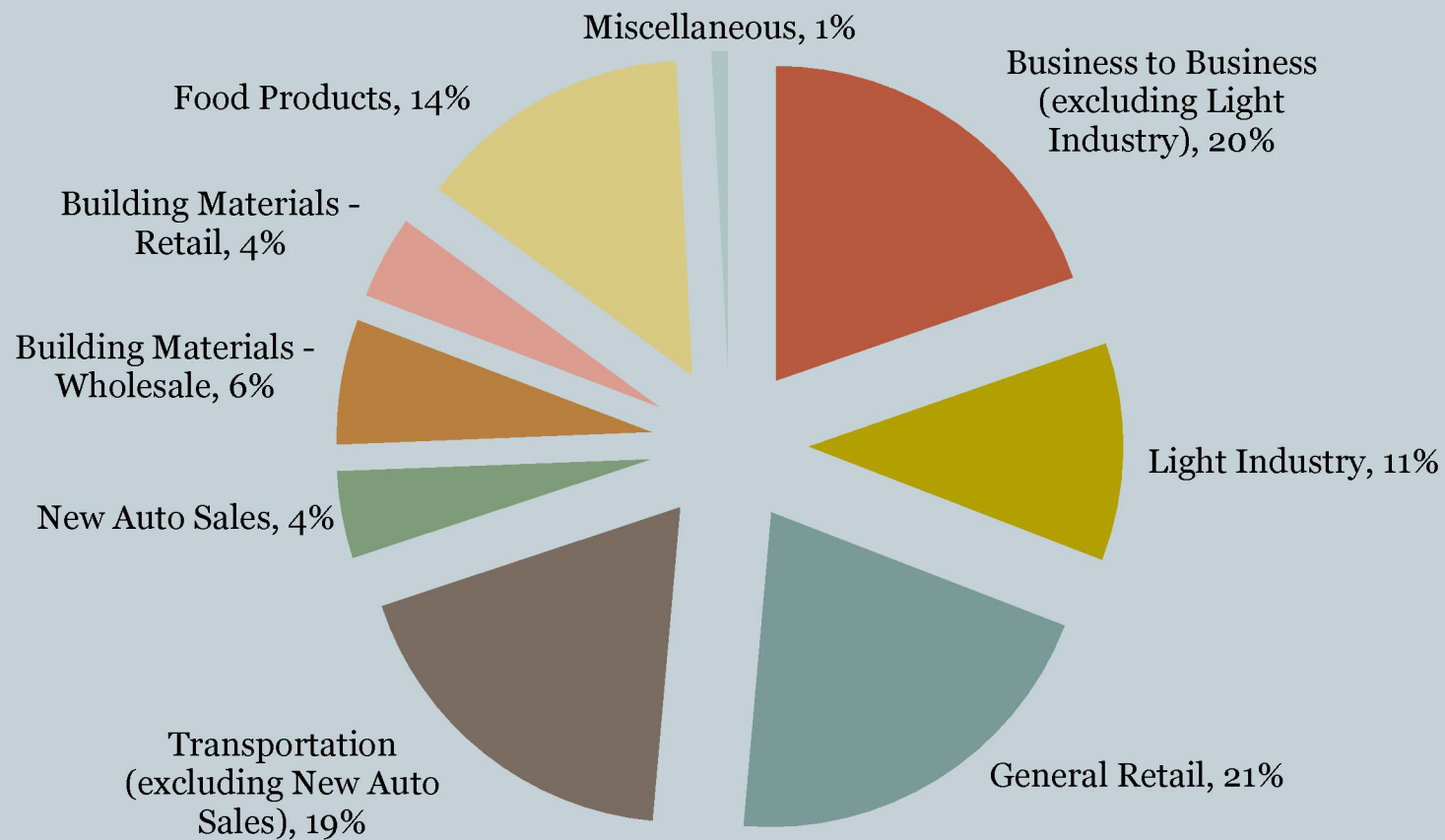
(\$'s in 000's)



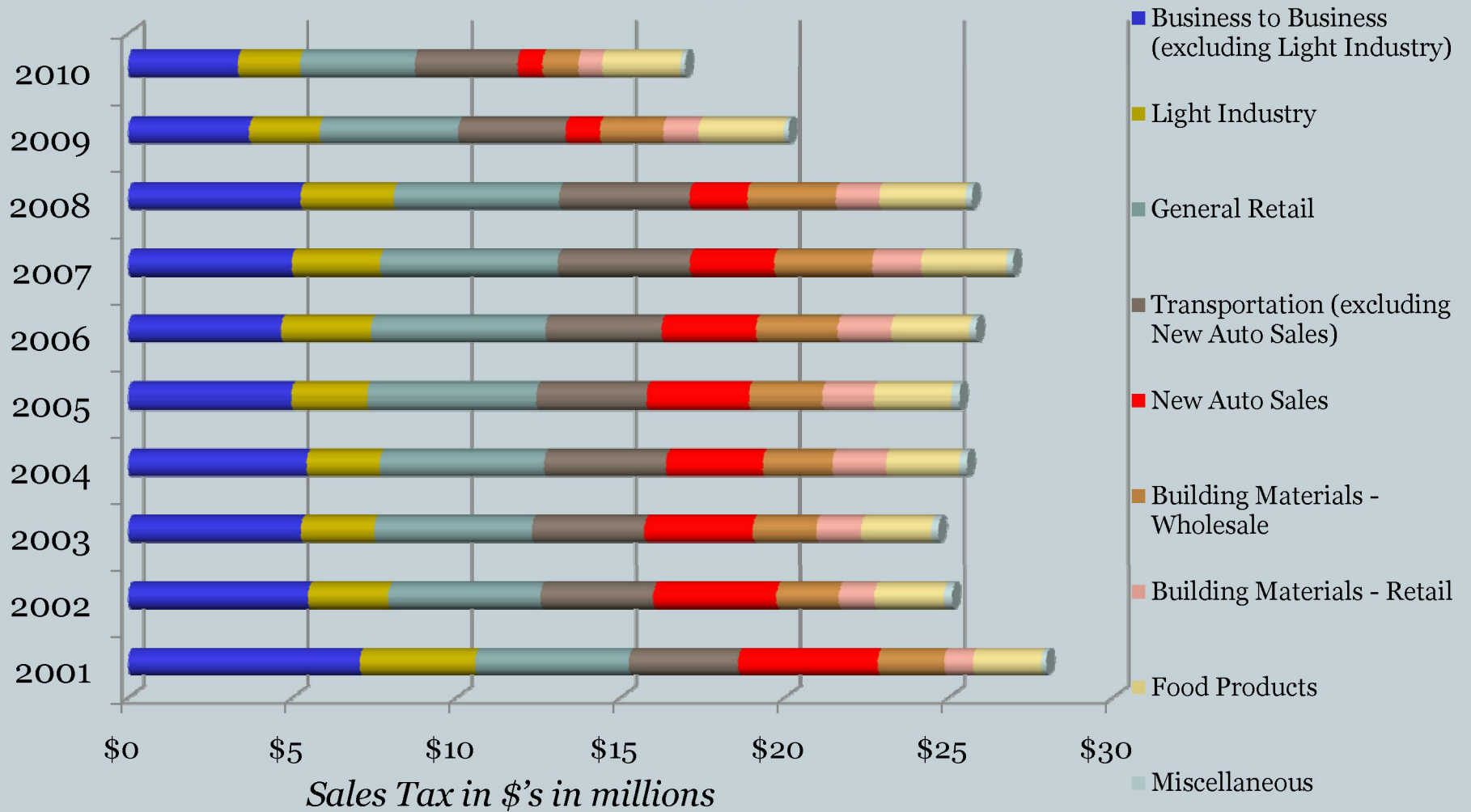
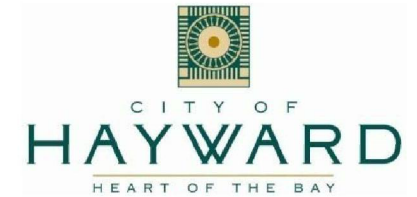
CITY OF
HAYWARD
HEART OF THE BAY



Sales Tax By Category



Hayward Sales Tax By Economic Sector



FY 2010 Sales Tax

Sales Tax

FY 2010 Adopted

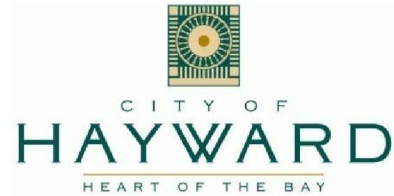
\$24 million

FY 2010 Estimated

\$21.4 million

Budget Adjustment

\$2.6 million



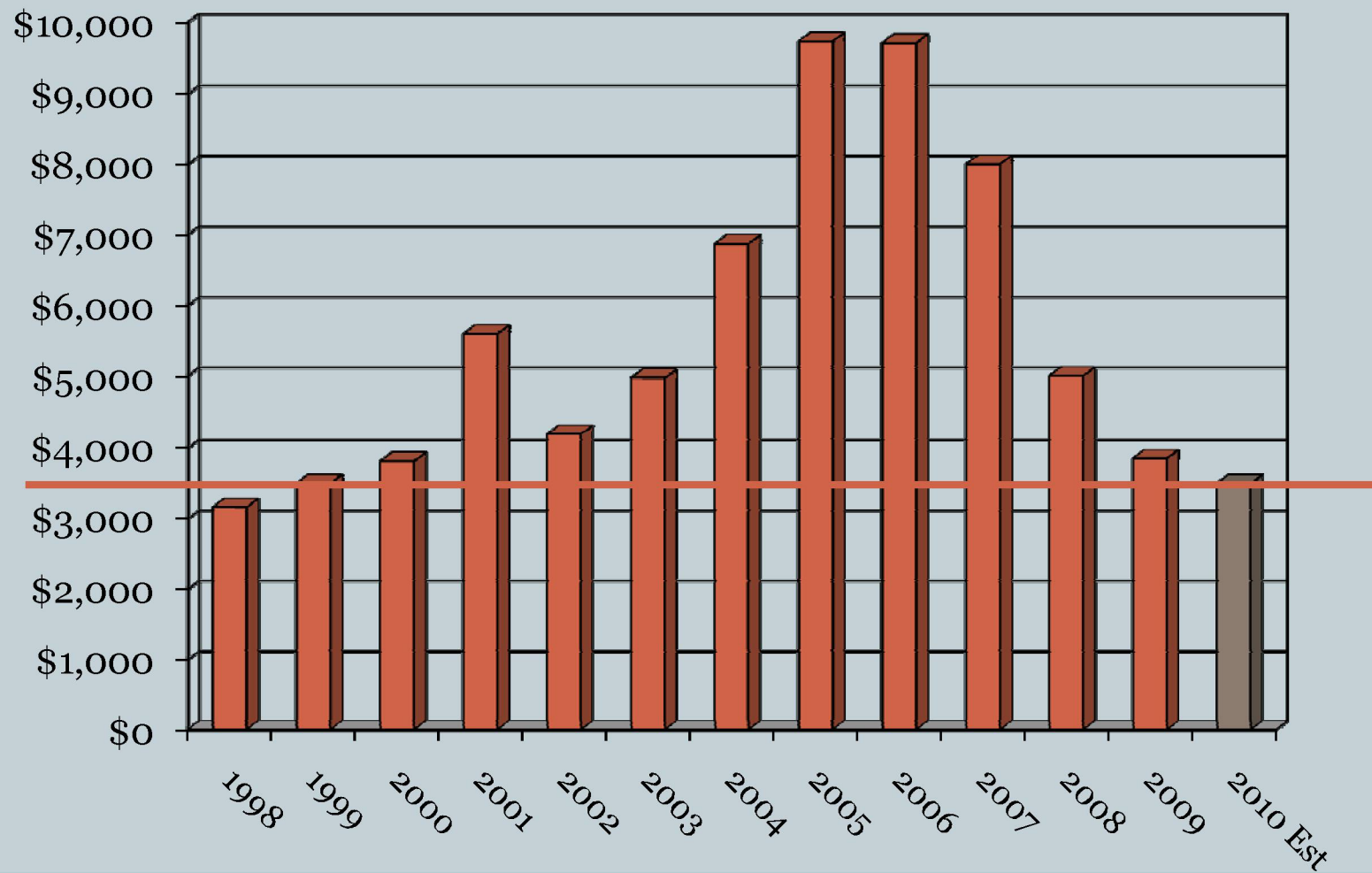
Real Property Transfer Tax

Real Property Transfer Tax Revenue

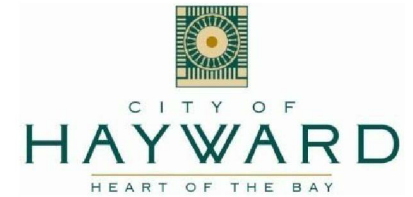
(\$ in 000's)



CITY OF
HAYWARD
HEART OF THE BAY



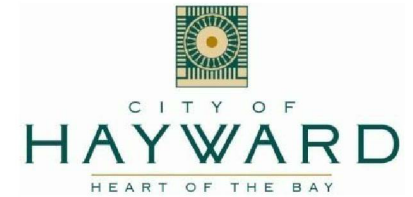
FY 2010 Real Property Transfer Tax



RPTT	
FY 2010 Adopted	\$3.0 million
FY 2010 Estimated	<u>\$3.5 million</u>
Budget Adjustment	\$0.5 million

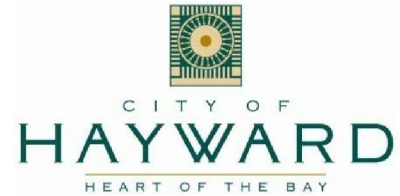
Housing Market Data

(Detached)



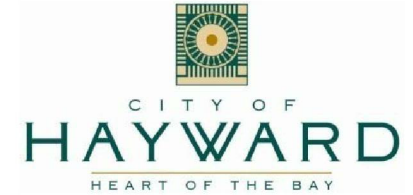
Hayward	Dec 2007	Dec 2008	Dec 2009
Average Sale Price	\$480,244	\$304,959	\$324,309
Average Days on Mkt	107	90	46
Sales Price/List Price	95%	100%	105%

Source: BayEast Association of Realtors



Mid-Year Adjustments

Mid-Year Change To Revenue

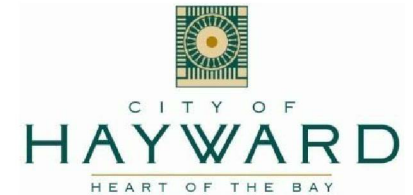


Changes to Revenue Estimates

– Minus Sales Tax	(\$2,591,000)
– Minus Franchise Fee	(\$160,000)
– Minus Licenses & Fees	(\$296,000)
– Plus Real Prop Trsfr Tax	\$500,000
– Plus Construction Related	<u>\$310,000</u>

For a net change to revenue of (\$2,237,000)

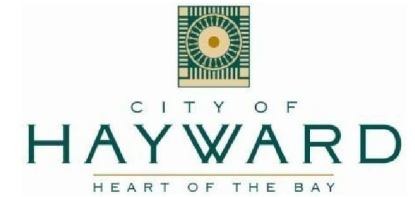
Mid-Year Review Expenditures



	FY 2010 Budget
Adopted Expenditures	\$106.3 million
Plus: Outstanding obligations from prior year Grants and new appropriations	\$1.2 million <u>\$2.1 million</u>
End of Year Estimate	\$109.6 million

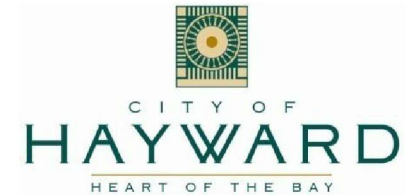
FY 2010 expenditures on target to meet budgeted estimates.

FY 2010 Mid-Year Budget Adjustment Summary

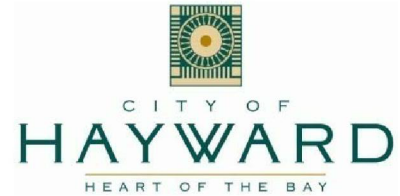


	FY 2010 Adjusted	FY 2010 Estimated	Budget Adjustment
Revenue	\$106.2 million	\$104.0 million	<u>(\$2.2 million)</u>
Expenditures	\$109.6 million	\$109.6 million	<u>(\$0 million)</u>
Transfers In	\$12.4 million	\$13.1 million	<u>\$.7 million</u>
Transfers Out	\$11.1 million	\$11.1 million	<u>\$0 million</u>

General Fund Estimated Reserves for June 30, 2010



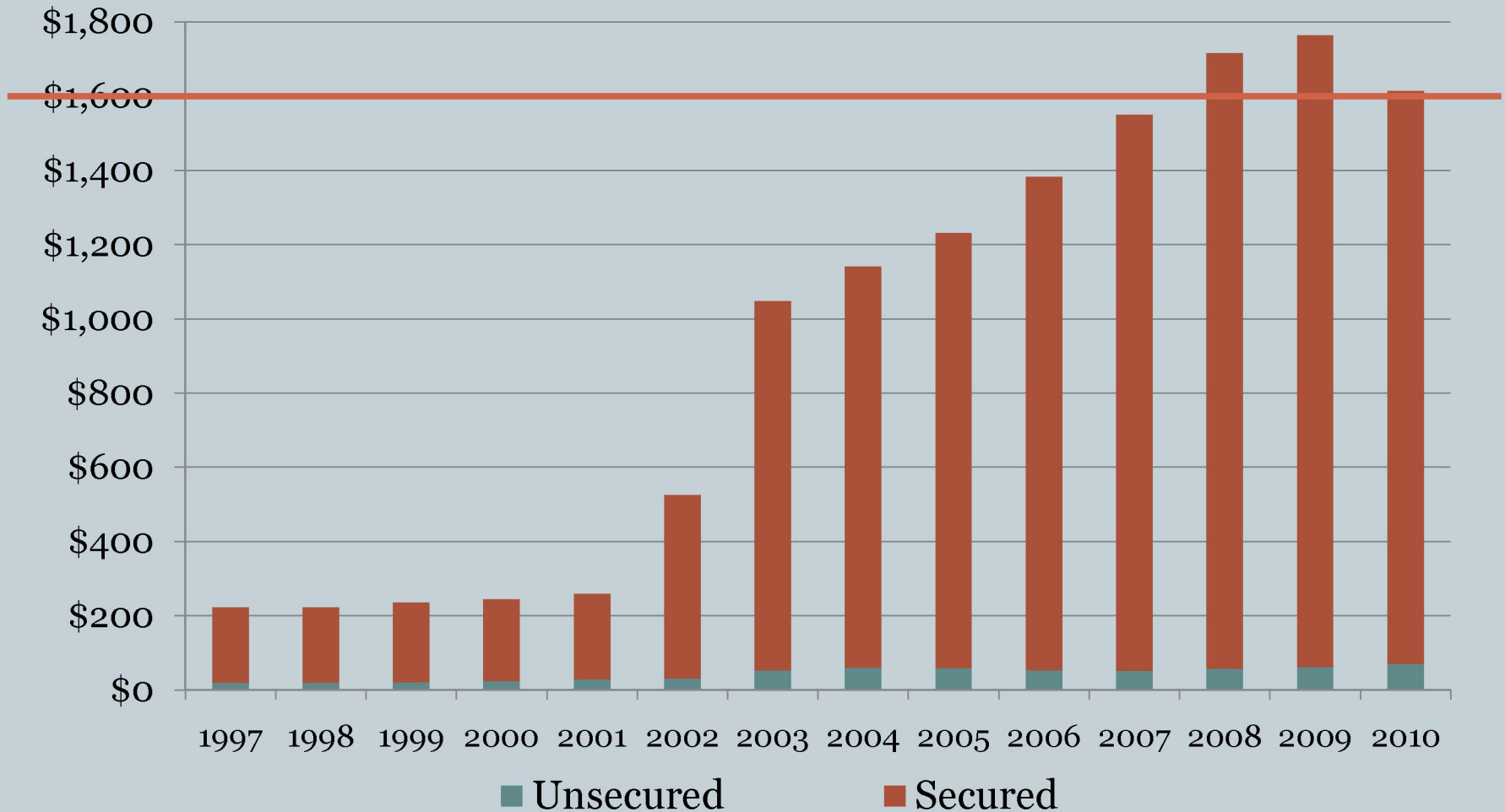
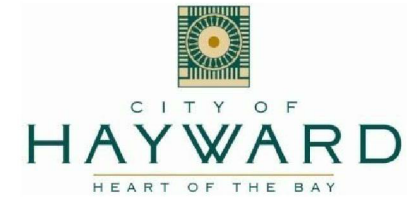
	FY 2010 Adopted Budget	Mid-Year Estimate
Economic Uncertainty	\$7.0 million	\$7.0 million
Liquidity	\$3.5 million	\$3.5 million
Hotel Conference Center	\$1.0 million	\$1.0 million
Police Staffing	\$1.0 million	\$1.0 million
Contingency	<u>\$6.7 million</u>	<u>\$5.6 million</u>
Total	\$19.2 million	\$18.1 million



Redevelopment Agency

Redevelopment Agency

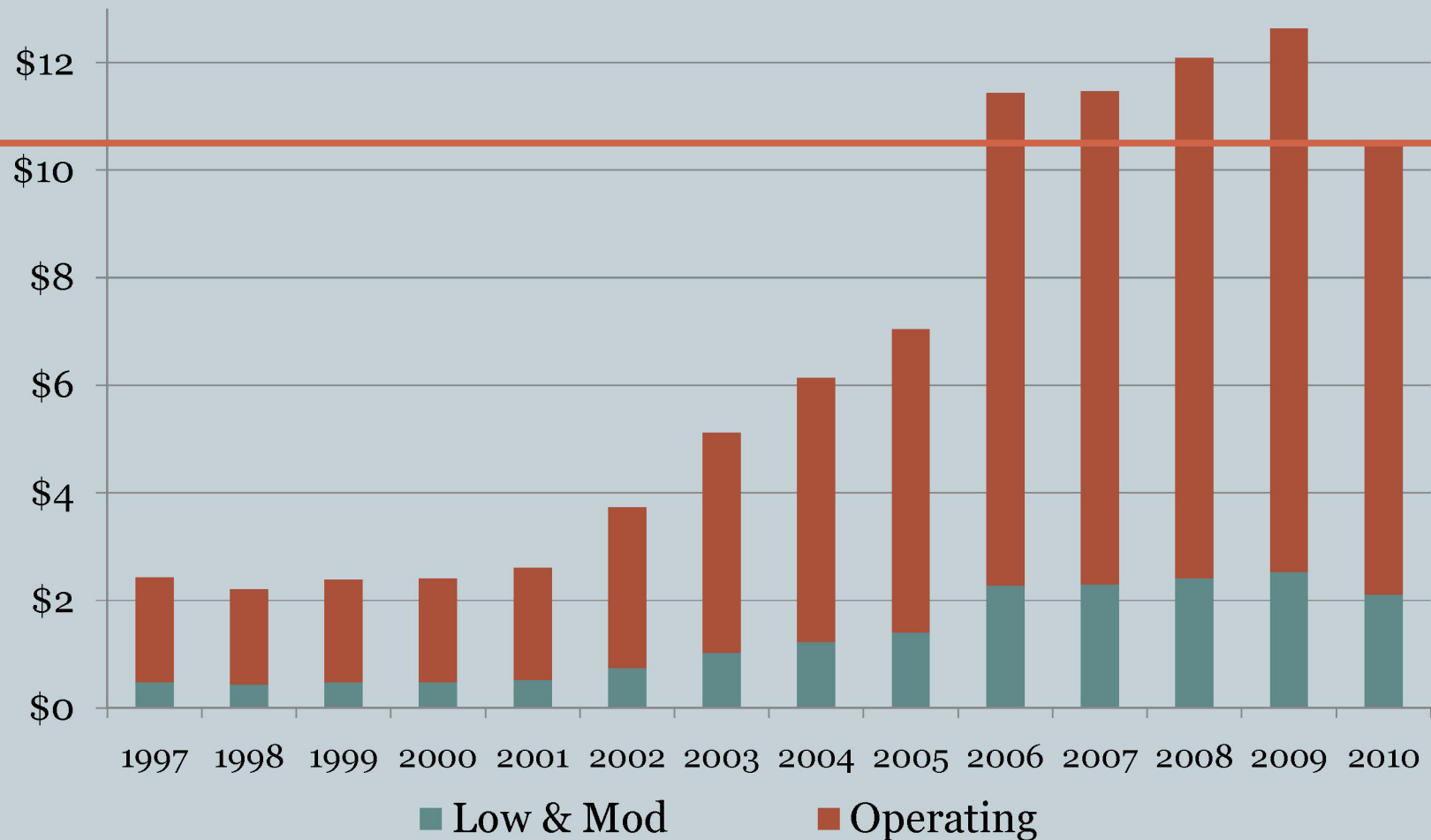
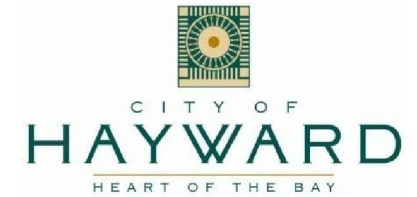
Assessed Value



FY 2010 RDA Assessed Value is \$1.6 billion.

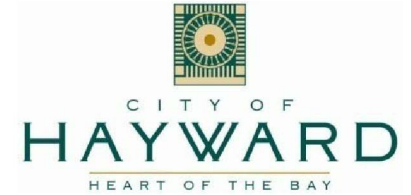
Redevelopment Agency

Property Tax Increment



Total FY 2010 RDA Property Tax is \$10.5 million.

FY 2010 Redevelopment Agency

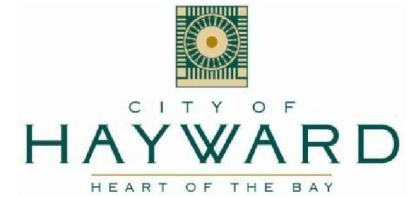


Revenue

Property Tax Increment decline results in the following recommended changes:

- Estimated to decline by 17% in FY 2010.
- Pass thru payments to City and other Agencies will decline.
- Tax Allocation Bond will not be sought due to decline in revenue.

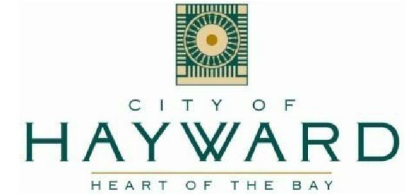
FY 2010 Redevelopment Agency



Reduction to Revenues

Property Tax Increment	(\$950,000)
Pass Thru Payments	(\$240,000)
Bond Proceeds	<u>(\$7.8 million)</u>
<i>Net Decrease</i>	<i>(\$9.0 million)</i>

FY 2010 Redevelopment Agency

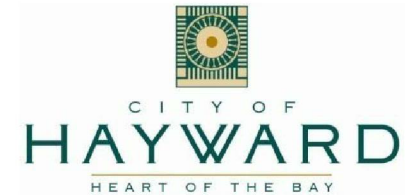


Expenditures/Transfers

Property Tax Increment decline, along with increase to ERAF payment results in the following recommended changes:

- ERAF payment increased.
- Reduction to program expenditures.
- Deferral of debt service payments and capital projects.
- Decrease to transfers out.

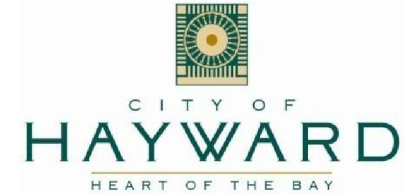
FY 2010 Redevelopment Agency



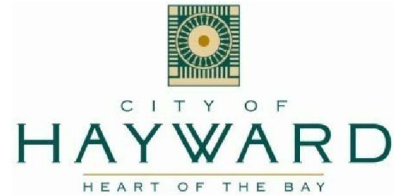
Change to Expenditures/Transfers Out

Increase ERAF Payment To State	\$3.4 million
Reductions to Program Expenditures	(\$750,000)
Deferral of Debt Service	(\$1.05 million)
Deferral of Capital Projects	(\$9.8 million)
Decrease to Transfers Out	<u>(\$800,000)</u>
<i>Net Decrease</i>	<i>(\$9.0 million)</i>

Looking Ahead to FY 2011 & 2012



- The economic recession is not over.
- The City General Funds and RDA Funds will be affected by the unprecedented declines in revenue for years to come.
- The FY 2011 & 2012 Operating Budget will have significant challenges.
- Staff will propose solutions in May 2010 during the budget process.



FY 2010 Mid-Year Update

Director of Finance
Debra C. Auker